

**AGREEMENT**

**in the form of an exchange of letters between the European Economic Community and New Zealand on trade in mutton, lamb and goatmeat**

*Letter No 1*

Sir,

I have the honour to refer to negotiations held between our respective delegations for the purpose of drawing up the provisions relating to the import of mutton and lamb and goatmeat into the Community from New Zealand, together with the implementation of the regulation for a common organization of the market in mutton and lamb and goatmeat. Recognizing the vital dependence of the New Zealand economy on the sheep industry and on the export of mutton and lamb to world markets, particularly to the Community, and the importance of ensuring that the normal marketing of its mutton and lamb on these markets should not be prejudiced, I have the honour to propose an Agreement on the following terms:

*Clause 1***Products included**

The Agreement shall relate to:

- fresh or chilled mutton and lamb and goatmeat (02.01 A IV a)),
- frozen mutton and lamb and goatmeat (02.01 A IV b)).

*Clause 2***Access and quantity**

Under this Agreement New Zealand is guaranteed for its mutton and lamb and goatmeat access possibilities to the Community up to the quantity provided by the Agreement. New Zealand is assured that the normal marketing of its mutton and lamb shall not be prejudiced by the operation of the regulation.

In order to ensure the proper functioning of the Agreement, New Zealand undertakes to implement the appropriate procedures to ensure that the annual quantity actually exported does not exceed the quantity fixed. This quantity is fixed at 234 000 tonnes expressed in carcass weight <sup>(1)</sup>.

**Chilled products**

The quantities fixed above shall be exported in accordance with the traditional pattern of presentations (frozen or chilled). The Community confirms that it is not a purpose of this

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(1) Carcass weight (bone-in equivalent weight). By this term is understood the weight of bone-in meat presented as such as well as boned meat converted by a coefficient into bone-in weight. For this purpose 55 kg of boned mutton corresponds to 100 kg of bone-in mutton and 60 kg of boned lamb corresponds to 100 kg of bone-in lamb.

Agreement to prevent New Zealand from taking advantage of new technological developments or from maintaining its competitive position in the market place within the Community. Should changes in technology and trade make it possible to modify the presentational structure of trade, the two parties to this Agreement shall consult each other prior to any such modification in the committee mentioned in clause 10 in order to find an adequate solution.

*Clause 3*

**Safeguard clause**

Should the Community have recourse to the safeguard clause, it undertakes to protect the interests of New Zealand as they result from this Agreement.

*Clause 4*

**Exceeding limit**

If imports from New Zealand exceed the quantities agreed, the Community reserves the right to suspend imports from that country.

*Clause 5*

**Tariff**

The Community undertakes to limit the levy applicable to imports of products covered by the present Agreement to a maximum amount of 10 %, *ad valorem*.

*Clause 6*

**Accession of new members**

At the time of accession of new Member States, the Community, in consultation with New Zealand, shall alter the quantities set out in clause 2, in accordance with New Zealand's trade with each new Member State. The charges applicable to imports for the said new Member States shall be fixed in accordance with the rules in the Treaty of Accession; the maximum level of the levy specified in clause 5 of this Agreement being taken into account.

The total quantity as mentioned in clause 2 above is fixed at 245 500 tonnes in carcass weight as from the date of accession of Greece to the Community.

*Clause 7*

**Disposal of intervention stocks**

The Community shall endeavour to avoid any market development which could prejudice the normal marketing of New Zealand mutton and lamb on the Community market within the limits of the quantities agreed. In particular, the Community shall take steps to ensure that the disposal of intervention stocks in frozen form arising from the operation of the regulation does not undermine this objective. Moreover the two parties shall undertake all possible efforts in order to encourage sheepmeat consumption in the Community without affecting the stability of the market.

*Clause 8***Export restitutions**

In taking account of the objectives and provisions of this Agreement the Community agrees that any actual implementation of refunds or any other form of assistance with respect to exports of mutton, lamb and live sheep and lamb intended for slaughter shall apply only at prices and conditions which comply with existing international obligations and in respect of the traditional shares of the Community of world export trade in these products. These words shall be interpreted in a manner consistent with Article XVI of GATT and in particular in conformity with Article 10 (2) (c) of the Agreement on interpretation and application of Articles VI, XVI and XXIII of the General Agreement on tariffs and trade.

*Clause 9***Export and import certificates**

New Zealand shall ensure that the annual quantities referred to in clause 2 do not exceed the limits specified therein by ensuring, in particular, that export certificates are not issued for any amount beyond such limits.

For its part, the Community shall undertake to adopt all necessary provisions to make the issue of the import licence for the products referred to above, originating in New Zealand, subject to the production of an export certificate, issued by the competent authority designated by the New Zealand Government.

Detailed rules for applying this system shall be laid down in such a way as to render unnecessary the lodging of a security for the issue of the import licence in respect of the products in question.

Also, such detailed rules of application shall provide that the competent New Zealand authority shall communicate periodically to the competent authority of the Community the quantities in respect of which export certificates are issued, broken down, where appropriate, according to destination.

*Clause 10***Consultative Committee**

A Consultative Committee shall be set up composed of representatives from the Community and from New Zealand. The Committee shall ensure that the Agreement is being properly applied and is functioning smoothly.

It shall examine regularly the trend of the two parties' markets in mutton and lamb and goatmeat and the trend of the international market, as well as marketing conditions on those markets including those relevant to the objective set out in clause 7 of this Agreement.

It shall ensure that the proper application of the Agreement is not affected by the export of mutton and lamb and goatmeat-based products to the Community under customs headings not referred to by the Agreement.

The Committee shall discuss any matter relating to the application of this Agreement that may be put before it by either party and shall recommend appropriate solutions to the competent authorities.

*Clause 11***GATT obligations**

The provisions of the Agreement shall be agreed without prejudice to the parties' rights and obligations under GATT.

*Clause 12***V. R. period**

The annual quantity fixed in clause 2 refers to the period running from 1 January to 31 December. The quantity applicable in the period between the entry into force of this Agreement and 1 January of the following year shall be fixed on a *pro rata* basis in relation to the total annual quantity.

*Clause 13*

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the metropolitan territory of New Zealand.

*Clause 14***Commencement and review**

The Agreement shall enter into force on 20 October 1980. It shall remain in force until 31 March 1984 and shall continue in force thereafter subject to each party having the right to denounce it by giving one year's notice in writing. In any case the provisions of this Agreement shall be examined by the two parties before 1 April 1984 with a view to making any adjustment which they agree is necessary.

I have the honour to propose that if the foregoing is acceptable to your Government, this letter and your confirmatory reply shall together constitute and evidence an Agreement between the European Economic Community and New Zealand on the matter.

Please accept, Sir, the assurance of my highest consideration.

*For the Council  
of the European Communities*

*Letter No 2*

Sir,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

'I have the honour to refer to negotiations held between our respective delegations for the purpose of drawing up the provisions relating to the import of mutton and lamb and goatmeat into the Community from New Zealand, together with the implementation of the regulation for a common organization of the market in mutton and lamb and goatmeat. Recognizing the vital dependence of the New Zealand economy on the sheep industry and on the export of mutton and lamb to world markets, particularly to the Community, and the importance of ensuring that the normal marketing of its mutton and lamb on these markets should not be prejudiced, I have the honour to propose an Agreement on the following terms:

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In order to ensure the proper functioning of the Agreement, New Zealand undertakes to implement the appropriate procedures to ensure that the annual quantity actually exported does not exceed the quantity fixed. This quantity is fixed at 234 000 tonnes expressed in carcass weight <sup>(1)</sup>.

**Chilled products**

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I have the honour to propose that if the foregoing is acceptable to your Government, this letter and your confirmatory reply shall together constitute and evidence an Agreement between the European Economic Community and New Zealand on the matter.'

I have the honour to confirm the foregoing is acceptable to my Government and that your letter together with this reply shall constitute an Agreement in accordance with your proposal.

Please accept, Sir, the assurance of my highest consideration.

*For the Government  
of New Zealand*

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